

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W.R. GRACE & CO., <i>et al.</i>, Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**FEE AUDITOR'S FINAL REPORT REGARDING QUARTERLY
INTERIM FEE APPLICATION OF FOLEY HOAG LLP
FOR PERIOD OF OCTOBER 2009 THROUGH DECEMBER 2009**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Quarterly Interim Fee Application of Foley Hoag LLP for the Period of October 2009 through December 2009 (the "Application").

BACKGROUND

1. Foley Hoag LLP ("Foley Hoag") was retained as special environmental counsel to the debtor. In the Application, Foley Hoag seeks approval of fees totaling \$49,702.50 and expenses totaling \$253.05 for its services from October 1, 2009 through December 31, 2009 (the "Thirty-Fifth Interim Period" or the "Application Period").

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2010, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C.

§330, Issued January 30, 1996 (the "U.S. Trustee Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We e-mailed questions to Foley Hoag based on our review, and we received a response from Foley Hoag, portions of which response are quoted herein.

DISCUSSION

3. We noted the following time entry in which there is a discrepancy between the total amount billed and the amount of time recorded within the time entry:

10/13/09	Jaffe	Preparing for EPA meeting on 10/14 (0.9).	1.3	585.00	760.50
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We asked Foley Hoag about this discrepancy, and Foley Hoag responded: "...[A]lthough we have reviewed our records, we are unable to determine why there is a discrepancy between the typed description showing 0.9 hours and the hours entry of 1.3. We agree to a fee reduction to the lower figure of 0.9 hours of \$526.50." We appreciate Foley Hoag's response and, accordingly, recommend that compensation for this time entry be reduced to \$526.50, for a reduction of \$234.00 in fees.


4. We noted that Foley Hoag billed for 351 in-house photocopies at a rate of \$0.12 per page, or \$42.12. As the Delaware Local Rules limit the per page charge for in-house photocopies to \$0.10, we asked Foley Hoag if it would agree to reduce its request for reimbursement by \$7.02 to correct the error. Foley Hoag responded in the affirmative, and thus we recommend a reduction of \$7.02 in expenses.

CONCLUSION

5. Thus, we recommend approval of \$49,468.50 in fees (\$49,702.50 minus \$234.00) and \$246.03 in expenses (\$253.05 minus \$7.02) for Foley Hoag's services for the Thirty-Fifth Interim Period.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: 
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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 4th day of May, 2010.


Warren H. Smith

SERVICE LIST

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